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Report on results achieved by the United Nations Capital Development Fund in 2011

Summary

UNCDF had a strong year in 2011. Results of evaluations and programme reviews reaffirmed the relevance and effectiveness of its efforts to help local governments strengthen public investment and basic service delivery and to ensure that financial services reach more poor people and small businesses. UNCDF is addressing the weaknesses identified, including in programme management.

Contributions grew to $52 million in 2011, up 27 per cent from 2010. Programme delivery grew to roughly $60 million, up 22 per cent from 2010 and more than double the 2006 figure. 63 per cent of programme delivery was in Africa, 30 per cent in Asia and the Pacific, and 7 per cent in the Arab States and Haiti. Local development programmes accounted for 60 per cent of total delivery; financial services programmes for 40 per cent.

UNCDF met most of its 2011 targets for improving local government capacities to plan, allocate and manage resources, as well as for increasing access to financial services and improving the sustainability of service providers. The results for influencing wider policy and institutional environments were mixed, with further efforts in this regard planned for 2012.

UNCDF will continue to develop a range of new programmes; to strengthen partnerships; and to improve organizational performance, including through a new gender strategy and advanced knowledge management. As UNCDF begins planning for the 2014-2017 period, possible future directions will be examined for the organization as an integral part of the UNDP group.

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I. Introduction

1. Many least developed country economies are growing fast. Yet as the fourth United Nations Conference on the Least Developed Countries, held in May 2011, made clear, achieving inclusive, sustainable development remains a pressing challenge. Progress towards the Millennium Development Goals has been uneven in different regions of the world and within countries, where many areas and individuals are not benefiting from impressive aggregate growth. Least developed countries still exhibit patterns of under-investment at the sub-national level and large regional differences in citizens' access to services. Many suffer from underdeveloped financial sectors, with few products and services accessible to poor households. Inadequate public investment at the local level, and insufficient access to financial services by poor households and small businesses, constrain the achievement of the Millennium Development Goals throughout the least developed countries.

2. UNCDF, the capital investment organization of the United Nations for the 48 least developed countries, is helping to address these challenges. It focuses on Africa and the poorest countries of Asia, with a special commitment to countries emerging from conflict or crisis. Within its economic development mandate UNCDF specializes in public and private financing mechanisms that can catalyse economic growth and make it more inclusive and sustainable. UNCDF programmes combine capital and technical assistance, and help local governments strengthen public investment and basic service delivery and ensure that financial services reach more poor people and small businesses.

3. UNCDF had a strong year in 2011. Contributions grew to $52 million, up 27 per cent from 2010. Programme delivery grew to roughly $60 million, up 22 per cent from 2010 and more than double the 2006 figure. 63 per cent of UNCDF programme delivery was in Africa, 30 per cent in Asia and the Pacific, and 7 per cent in the Arab States and Haiti. Programmes supporting local development accounted for 60 per cent of total delivery; programmes supporting financial services for the poor accounted for 40 per cent.

4. Several programme initiatives took shape in 2011. Building on the successful Pacific Financial Inclusion Programme, UNCDF developed and received initial funding for a global initiative designed to bring 'mobile money' to additional least developed countries in Africa and Asia. The 'local climate adaptive living' facility, a new programme designed to help local governments finance climate change adaptation measures, began pilot activities in Bhutan and Cambodia. Clean Start, which is designed to enable poor households finance clean energy solutions, approached its pilot phase. UNCDF refined its 'local authorities financial and institutional analysis' system and developed a 'making access to finance possible' diagnostic and action framework, which will be implemented more widely in 2012.

5. UNCDF invested heavily in evaluation and programmatic review. It commissioned eight evaluations and reviews, maintaining the increase that began in 2010 as part of the 'special projects implementation review' exercise. Results have confirmed the relevance and effectiveness of UNCDF work and highlighted areas that need strengthening, including programme management. Other areas of investment included internal knowledge management, and increased capacity for policy work and advocacy. UNCDF invested substantially in staff development, including leadership training for mid- to senior-level staff from all regions.

6. UNCDF is poised to begin the groundwork for a new strategic framework to guide its activities in the period 2014-2017. During this process it will consider initiating, in 2012, a broader stakeholder discussion of the range of future possibilities for UNCDF as an integral part of the larger 'UNDP family'. The last such discussions took place in 2004-2005, against a backdrop of declining donor support and uncertainty about the viability of UNCDF. Circumstances have changed since then: UNCDF is garnering increasing support from a diverse range of donors; demand for its services is growing; and its partnership with UNDP has never been stronger.

II. Programme results, 2011

A. Public finance for local development

7. Local governments provide much of the infrastructure and related services that are crucial to attaining the Millennium Development Goals: the building and maintenance of roads, marketplaces and warehouse facilities; irrigation schemes; primary schools, health centres, and other public investments that improve lives and help local economies grow.

8. UNCDF helps develop systems and capacities that enable local governments to carry out their vital activities. It operates at the national level to support appropriate policy and institutional frameworks, and at the local level to help build the requisite capacities within local governments themselves. It focuses in particular on strengthening public financial management (budgeting, accounting, procurement and investment programming); intergovernmental fiscal transfer systems; and, where appropriate, own-source revenues (local taxes and fees).

9. UNCDF works with local governments because they often represent the primary nexus between citizen and state, and offer the opportunity to build platforms of accountable, targeted public investment that achieves both impact and value for money. Many local governments in least developed countries fall short of that ideal because they lack adequate capacities and financing. UNCDF programmes take account of those challenges by deploying proven approaches for strengthening local government performance, using existing public financial systems rather than parallel structures so that they are better able to build sustainable national capacities.

10. In 2011, UNCDF operated local development country programmes in 30 least developed countries: 21 in sub-Saharan Africa, seven in Asia and the Pacific, one in the Arab States and one in the Caribbean. Ten of those countries have recently emerged from conflict. In addition, UNCDF provided technical assistance on behalf of UNDP programmes in five non-least-developed countries. A senior UNCDF technical advisor was assigned to the Arab States to assist with the UNDP response to the political transformations there.

11. In all of its local development work, UNCDF strives to (a) improve local government capacities to plan, allocate and manage resources; (b) increase local government access to investment capital; and (c) strengthen the wider policy and institutional environment.

Results

Local government capacity to plan, allocate and manage resources[1]

Table 1.

Outcome indicators	Plan	Actual	Performance*
1. Number of local governments supported that are consulting local communities in finalizing investment plans and budgets	815	765	+
2. Number of local governments supported where budgets are disbursed in line with the priorities of the plans	783	654	+
3. Number of local governments supported that use national public procurement standards and regular external audits while managing resources (accountability)	831	713	+
4. Number of local governments supported that publicize their expenditure against their budget (transparency)	795	701	+
5. Number of local governments supported that apply a gender perspective to planning and budgeting	708	569	+
6. Number of local governments supported where 'genderized' budgets and investments are implemented	299	209	+/-

*Performance assessment scores: Achieved (+) = 75-100%; Partially achieved (+/-) = 50-75%; Not satisfactory (-) = < 50%

Participatory planning and budgeting

12. In 2011, 94 per cent of UNCDF-supported local governments adopted consultative, participatory mechanisms that better engage local communities in decision-making processes, particularly planning and budgeting (indicator 1).

13. According to an external evaluation, in Bangladesh UNCDF support effectively "develop[ed] local capacities … in [inter alia] the areas of participatory assessments and prioritization of local development needs"; this fed into local planning and budgeting processes. Practices were improved, to a large extent, by training local planning-committee officials in organizing grass-roots-level participatory forums. A midterm review of 'gender-equitable local development', a joint UNCDF/UN-Women programme, found evidence of improved participatory planning processes in pilot localities in Mozambique, Rwanda, Senegal, Sierra Leone and Tanzania.

[1] UNCDF programmes support the performance assessment of over 3,900 local governments. Because of differences in the size and mandates of local governments from country to country, in some cases (such as Bangladesh and Nepal) the unit of analysis has been aggregated to the district level for comparison purposes. UNCDF often works with a selected group of local governments with a view to policy influence leading to national scale-up and replication (indicators 7-9).

Disbursements and budget execution

14. The disbursement capacities of local governments improved as a result of UNCDF support in 2011 (indicator 2). In Southern and Eastern Africa and in Asia and the Pacific, about 80 per cent of UNCDF-supported local governments executed their budgets in line with the priorities established in their own plans.

15. In Bhutan, a joint project review concluded that "local governments have generally improved significantly on spending according to budget allocations ... unspent funds in 2010-2011 of all the Gewogs [local authorities] amounted to 15.3 per cent compared to 24.49 per cent in 2009-2010 ... due to increased capacities ... and the Ministry of Finance's budget reallocation process". A review in the Solomon Islands highlighted that "provincial governments' public expenditure management capacities, have considerably increased" due in part to the adoption of International Public Sector Accounting Standards, which UNCDF helped to introduce at the local level prior to adoption by the national government.

16. In West and Central Africa number of external setbacks hindered budget execution and financial disbursement: in Benin, a labour-related dispute between central authorities and local civil servants disrupted the local public expenditure cycle, while in Senegal, the adoption of a policy to foster inter-municipal cooperation caused delays in disbursements. The story was more positive for the 'gender-equitable local development' project in Rwanda, where, according to a midterm review, the target districts are consistently "among the highest ranks in terms of [external] performance evaluations and customer satisfaction [surveys] as a result of [inter alia] the project interventions".

Transparency and accountability

17. Over 85 per cent of UNCDF-supported local governments adopted national procurement standards and/or conducted financial audits (indicator 3) and published their expenditure reports against budgetary allocations (indicator 4). The development of locally appropriate, efficient and transparent procurement is a hallmark of UNCDF local development interventions. The standards captured by the indicators were often significantly lower among non-UNCDF supported local governments or at the beginning of a country intervention.

18. Examples of increased transparency and accountability in 2011 include Benin, where local authorities were open to the conduct of external, civil-society-led, performance audits; and Liberia, where the application of procurement and audit standards increased considerably in UNCDF-supported localities. In Bhutan and elsewhere, efforts were undertaken to institutionalize 'community contracting' models. Challenges remain: in East Timor: despite improvements in local public management practices, financial audits had yet to be performed by targeted local authorities.

Gender-sensitized budgets and investments

19. In its efforts to incorporate the gender dimension into all its interventions, UNCDF introduced indicators that measured the extent to which local governments apply a gender 'lens' to the way they plan for and use public resources (indicator 5). 'Genderized' budgets and investments were successful in about 70 per cent of local governments supported by UNCDF (indicator 6).

20 In Benin, Guinea and Senegal, local government received training in how to take gender issues into consideration during the budgeting process. In Liberia, the local development fund strengthened the capacity of communities to organize themselves and engage district and county administrations so as to promote

gender-equitable local development through regular town-hall meetings and inclusive consultations.

21. In the Lao People's Democratic Republic, a breakdown of investments made by the district development fund reflected the application of a gender perspective in planning and prioritization by gender-specific decision-making processes. Men's groups tended to propose investments in agriculture, public works and transportation, while women's groups tended to prioritize education, health and local markets. The data showed that 55 per cent of investments were in the latter group (women), giving an indication of the successful effects of incorporating a gender perspective in investment planning and execution.

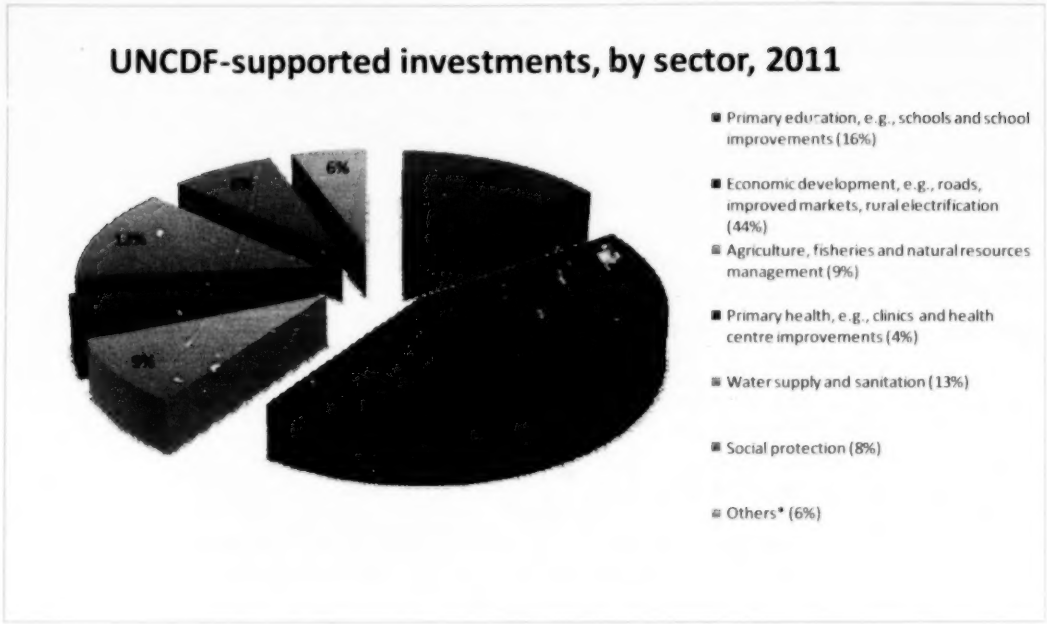
Local government access to investment capital

22. A key performance dimension is whether UNCDF capital assistance was truly catalytic, that is, whether it leverages additional investment capital for local governments through a national public financial system. 'Leveraging in' additional investment capital can happen in two ways. 'Direct leverage' is when the use of UNCDF-developed systems enables local governments to access increased investment capital, either in the form of additional donor funding within the UNCDF programme or because of a general increase in government transfers. 'Indirect leverage' is when UNCDF-developed systems are demonstrably and verifiably adopted by central government and taken to larger scale – often with the support of an international financial institution or other partner – in ways that result in increased flows of investment capital to the local level.

23. In 2011, UNCDF began to develop baselines and benchmarks to better assess the degree to which its interventions help catalyse additional capital at the local level (which implied more, and more effective, investment in roads, marketplaces, health stations and other public infrastructure conducive to human wellbeing and economic development).

24. UNCDF programmes directly leveraged three to eight times the volume of original UNCDF resources: for every dollar that UNCDF invested in a particular project, other development partners and/or national governments invested $3-8 in that project. When parallel and follow-on capital flows were added ('indirect leverage'), the ratio rose substantially, in some cases up to 70 times the original UNCDF financing. In Bangladesh, the national government and the World Bank acknowledged that the lessons of UNCDF local development work had demonstrated the potential absorption capacity and investment programming potential of local governments. Consequently, a new $300-million individual development account programme will extend nationwide the fiscal transfer system of local grants and local governance reform developed by UNCDF and UNDP. Such cases exemplify a key feature of the UNCDF approach: UNCDF programmes consciously seek to pave the way for other, larger players to follow.

25. The figure below illustrates the range of sectors in which participating local governments invested resources provided by, through, or with the technical support of UNCDF. Economic infrastructure – including roads and transportation infra-structure – was a vital area, particularly in the Asia Pacific region, where local governments often have to respond to the demands associated with fast-growing local markets. Sectors such as education and water and sanitation also benefited substantially from UNCDF-supported public investments.


UNCDF-supported investments, by sector, 2011
6%
13%
9%
Primary education, e.g., schools and school improvements (16%)
Economic development, e.g., roads, improved markets, rural electrification (44%)
Agriculture, fisheries and natural resources management (9%)
Primary health, e.g., clinics and health centre improvements (4%)
Water supply and sanitation (13%)
Social protection (8%)
Others* (6%)

*Including investments in capacity development, local administration, etc.

Policy and institutional environment

Table 2.

Outcome indicators	Plan	Actual	Performance
7. Number of countries where changes in policy, regulations and legislation can be attributed directly to UNCDF work	25	13	-
8. Number of countries in which UNCDF approaches, models or tools are adopted by national governments and development partners	29	20	+/-

26. Achieving policy impact is the overarching objective of UNCDF local development work. In most cases it is a precondition for achieving the longer-term goal of increased access to investment capital by local governments.

27. In 2011, changes in national policies, regulations and legislation (indicator 7) were effected in 11 countries. In Liberia, for instance, UNCDF provided technical support in the drafting of the national policy on decentralization and local governance. The policy was signed by the President in September 2011, and was followed by a continuing legislative reform process. In Southern and Eastern Africa, UNCDF led the review of fiscal decentralization and inter-governmental fiscal transfers in Lesotho. Malawi embarked upon constitutional amendments to the local government act to institute an appropriate financial model for local governments, based on a UNCDF-supported pilot.

28. The Asia-Pacific region also saw considerable progress towards improved policy and regulatory frameworks. An evaluation in Cambodia confirmed that innovations introduced in the field of planning and finance were scaled up through national legislation and guidelines. In the Solomon Islands, the cabinet adopted a local government finance system designed by UNCDF as the principal vehicle for development finance, increasing its contributions by 400 per cent. This was corroborated by the findings of an external evaluation in the Solomon Islands, which concluded that UNCDF support led "most notably, to an increased flow of funding to Provincial Governments". In the Lao People's Democratic Republic, the UNCDF-supported district development fund experience led to a Prime Minister's decree strengthening the role of district-level development.

29. UNCDF-developed approaches, models and tools were frequently adopted by partners – including national governments and international development partners – in their own programmes and interventions (indicator 8). For instance, the UNCDF 'local authorities financial and institutional analysis' system was extended to new tiers of local authorities in Mali by the Luxembourg Agency for Development Cooperation and received financial support from the European Commission. In Timor-Leste, the national government adopted a UNCDF-developed methodology to allocate and channel the proceeds of the national oil fund to district-level investments.

30. UNCDF nevertheless fell short of its 2011 targets for influencing wider policy and institutional environments. Evaluations showed that UNCDF programmes and the way they were managed could still be too heavily focused on field-level activities. This was a particular risk where programmes depended on a number of micro-investments. In some cases excessive emphasis was placed on managing processes around investment schemes rather than managing for results at the level of national systems and procedures.

31. Some evaluations revealed a lack of focus, during project implementation, on setting up systems to ensure support to operations and maintenance of project-funded infrastructure, and on addressing human resources constraints in some local governments. These deficiencies could undermine the sustainability of programme results and thus the credibility of the overall intervention in terms of policy influence. Evaluations also underlined the importance of having clear mechanisms in place to publicize and disseminate the results of innovative work once the evidence of performance has emerged.

32. In order to respond to these concerns and improve the likelihood that its programmes will influence larger policy environments, UNCDF is strengthening the results chain in its interventions, focusing on the establishment of baselines and improvements in the quality and use of performance data. A monitoring and accountability framework will be developed in 2012 to ensure a sharper focus on expected results, with attribution of responsibility among staff responsible for programme implementation. The recently strengthened capacity of UNCDF in internal knowledge management was helpful codifying, capturing and disseminating the results of programmatic interventions.

B. Financial services for the poor

33. There is a strong consensus that increased levels of financial inclusion – through the extension of poor people's access to savings, credit, insurance, and payment services – contributes to sustainable economic growth. A positive correlation has also been found between increased financial inclusion and reduced inequality, showing that financial inclusion promotes 'pro-poor' growth.

34. At the household level, financial services allow poor families and small businesses to manage irregular income streams, absorb economic setbacks and avoid costly informal services. Microfinance has a well-known role in supporting entrepreneurship and empowering women, while savings and credit can play powerful roles in helping poor people pay school costs, respond to health concerns and afford clean water and clean energy technology.

35. UNCDF efforts to extend financial services to the poor follows an 'inclusive finance' approach to ensure that a range of financial products is available to all segments of society at a reasonable cost and on a sustainable basis. UNCDF supports a variety of providers (microfinance institutions, banks, cooperatives and money transfer companies) and financial services (savings, credit, insurance, payments and remittances). UNCDF also supports newer delivery channels (such as mobile phone networks) that offer tremendous potential for scale.

36. UNCDF delivers support through country programmes, global programmes and advocacy. Country programmes are tailored to the needs of individual countries, with dedicated support at the macro level (policy, legal and regulatory framework), the financial infrastructure level and the retail level (financial service providers). Global programmes are designed to complement country programmes by promoting innovations that expand the frontiers of financial inclusion (youth, renewable energy or mobile money, for example). UNCDF advocates policies and regulations that will further financial inclusion, both globally and at the country level. This includes secretariat support to the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.

37. In 2011, UNCDF supported inclusive finance programming in 27 least developed countries, in 23 cases through country programmes: 15 in sub-Saharan Africa and eight in Asia. UNCDF supported four of the 27 countries through global or regional initiatives. Ten countries currently being supported are in post-conflict situations. In addition, UNCDF supported UNDP inclusive finance activities in seven countries where UNCDF did not have its own programmes.

38. In all of its work UNCDF strives to (a) increase access to financial services; (b) increase the sustainability of the financial service providers it supports; and (c) strengthen the overall policy and institutional environment. The growth from 2004 to 2011 in clients served by UNCDF-supported financial service providers is shown below.

Improved access to financial services (number of active clients)

Table 3.

Year	2004	2005	2006	2007	2008	2009	2010	2011
Number of clients	379,018	438,272	616,035	1,171,306	1,768,931	2,550,565	3,511,723	4,062,161

39. UNCDF is on target to reach its goal of serving 6 million active clients by 2013 through the financial service providers in which it invests. Sixty-six per cent of borrowers are women (significantly above the UNCDF threshold of 50 per cent woman, both in aggregate and at the level of individual institutions). Given that households comprise five persons on average, this represents a positive impact on the lives of some 20.3 million people.

Table 4.

Outcome indicators	Plan	Actual	Performance
1. Extent to which financial service providers are improving their client outreach	3,921,749	4,062,161	+
2. Net change in value of loan portfolio of the financial service provider versus total UNCDF core contributions	18 to 1	27 to 1	+
3. Net change in value of savings portfolio of the financial service provider versus total UNCDF core contributions	11 to 1	28 to 1	+

40. Substantial growth in outreach in 2011 (indicator 1) came largely through the addition of new thematic initiatives such as YouthStart and MicroLead, and the continued rapid expansion (to 489,931) in 'branchless banking' clients from the Pacific financial inclusion programme, which is pioneering government-to-people payments, mobile-phone banking and financial capability in the Pacific.

41. UNCDF support to 93 financial service providers in 2011 (up from 85 in 2010) allowed them to improve the value of their loan and savings portfolios significantly more than anticipated (indicators 2 and 3). This is largely because of the current operational phase of YouthStart, which is funded through a non-core contribution. Future results will likely be in line with established global targets, as some financial service providers fail fully to meet targets established in their performance-based agreements.

42. The sustainability of the financial service providers in which UNCDF invests is captured in indicators focusing on profitability, portfolio quality and transparency (indicators 4 through 6).

Sustainability of financial service providers

Table 5.

Outcome indicators	Plan	Actual	Performance
4. Extent to which financial service providers are improving their sustainability (profitability)	80%	80%	+
5. Extent to which financial service providers are improving their portfolio quality	80%	58%	±
6. Financial service providers have audited financial statements (transparency)	>95%	91%	+

43. Eighty per cent of the financial service providers supported by UNCDF improved their profitability, and 58 per cent met targets for the quality of their portfolio. The 80 per cent result for profitability improves on the 64 per cent achieved in 2010. The increase in sustainability was supported by evaluation findings completed in Timor-Leste in 2011. In Burkina Faso, an evaluation found

that UNCDF was more successful in helping strong financial service providers expand to new regions than in transforming weaker ones. In Malawi, an evaluation found that UNCDF could have strengthened portfolio quality by focusing more on capacity development than on innovation.

44. Portfolio quality is measured against the global standard (less than 5 per cent of portfolio at risk) reflected in the performance-based agreements that financial service providers sign as a condition of UNCDF funding. While performance on portfolio quality was strong in Asia, with 95 per cent of providers meeting targets, it improved marginally overall. Poor portfolio quality was concentrated in Africa, and resulted from a combination of internal and external factors. Internal factors included mismatch between client needs and loan products, weak internal control systems, and inadequate governance and oversight. External factors included new regulations in the countries in the West African Economic and Monetary Union (such as Senegal and Burkina Faso) that now allow financial service providers to keep non-performing loans in their portfolio for a maximum of two years – as opposed to one year in the past – before the required write-off. Poor weather conditions affected the performance of agricultural loans.

45. To address areas in need of improvement, UNCDF identified mechanisms including portfolio clean-up, training of external auditors, training of financial service providers' board members, training in market research and product design, and diversification of clientele, all of which will be under scrutiny in 2012 and beyond. Ninety-one per cent of providers carried out external audits in 2011, with funding suspended for those failing to comply. UNCDF will continue to suspend non-performing financial service providers when necessary.

Policy and institutional environment

Table 6.

Outcome indicators	Plan	Actual	Performance*
7. Extent to which national policy environment is improved for client protection	50%	42%	+
8. Ability of networks and associations to provide advocacy (e.g., client protection) to financial service providers	50%	29%	+/-
9. Extent to which financial service providers are engaged (e.g., in client protection)	35%	23%	+/-
10. Extent to which donors support UNCDF financial systems approach	60%	53%	+

*Performance assessment scores: Achieved (+)=75-100%; Partially achieved(+/-)=50-75%; Not satisfactory(-)=< 50%

46. While the vast body of evidence demonstrates that formal financial services benefit poor households and small businesses, events and publicity in the past year have highlighted potentially negative effects (such as over-indebtedness) that microcredit can have on poor people. The UNCDF view is that while access to

financial services is crucially important, so, too, is the quality of the financial services offered. Both access and quality are necessary in order to achieve the greatest possible client benefits in terms of reduced vulnerabilities, increased incomes, accumulated assets, the enhanced well-being of households, and the growth of enterprises.

47. To promote expanded access to quality finance, UNCDF has contributed to developing and promulgating global principles. UNCDF was one of the first to endorse the client protection principles of the 'smart' campaign in 2010, and it continues to contribute to the implementation and certification process as a member of the steering committee. UNCDF also contributed to the development of the principles for investors in inclusive finance launched in early 2011, which support investments in institutions meeting responsible finance standards.

48. In 2010, UNCDF began to implement those principles, in an effort to achieve more than 80 per cent coverage by 2013. UNCDF seeks to support a national policy environment that protects clients while encouraging innovations that bring them the products and services that meet their needs (indicator 7). In 2011, 42 per cent of the countries where UNCDF operates undertook sector-wide initiatives in those areas. That was less than the 50 per cent target for 2011, but an increase over previous years. The initiatives included engaging policymakers and regulators to raise awareness about client protection and to highlight priority issues such as market-conduct regulation and pricing disclosure. One example was the African Pricing Transparency Leaders Forum hosted by Microfinance Transparency and supported by the Agence française de développement, the Luxembourg Agency for Development Cooperation, and UNCDF.

49. At the financial infrastructure level, UNCDF engages primarily with networks and associations of financial service providers. In 2011 it improved the ability of industry-level players to establish standards and best practices and to build the capacity of member financial service providers to consistently deliver responsible financial services to their clients. Industry-level players play an important advocacy role with regulators and supervisors. UNCDF supported regional trainings on the 'smart' campaign client protection principles and their dissemination at the national level. In Liberia, Madagascar, Mozambique, Rwanda and Senegal, trainers brought client protection to providers, industry associations, policymakers and regulators. This led to institutional assessments and action plans to address priority areas.

50. In 2011 UNCDF increased the number of activities led by networks for their member financial service providers, although it reached only 58 per cent of its target (indicator 8). UNCDF is seeking to identify additional resources to address this under-funded mandate, so that associations can improve both the scope and quality of access by engaging with members and government.

51. Financial service providers must design their products and services to meet the needs of clients; provide these products and services in a transparent and ethical manner; and ensure that their clients are equipped to make good decisions about their use. Beginning in late 2010, UNCDF revised its standard funding agreement to require that all partners endorse the client protection principles – with the goal of achieving more than 80 per cent coverage by 2013.

52. Twenty-three per cent of all UNCDF partners have endorsed the principles (indicator 9), a four-fold increase from the previous year but still short of the target of 35 per cent. In the coming year, UNCDF will engage current and new partners to increase endorsement and implementation of client protection actions at the financial service provider level.

53. In line with established principles, UNCDF works with development partners to align support and programming to national priorities. Country-level investment committees review new initiatives as well as coordinate, and in some instances pool, country-level funding. Fifty-three per cent of donors active in inclusive finance at the country level participated in these UNCDF-organized investment committees in 2011 (indicator 10), a slight increase over the previous year and 89 per cent of the target for the year.

III. Management results, 2011

54. UNCDF continued to strengthen its operations in 2011 to keep pace with an expanding range of programmes and initiatives and a 22 per cent growth in financial delivery. While in previous years management attention had focused on strengthening internal structures and controls, the emphasis in 2011 shifted to measures designed to boost overall organizational performance.

Table 7.

Perspective	Strategic objective	Indicator	2010 result	2011 target	2011 result
Client satisfaction	Relevant programming on least developed countries, including post-conflict	Least developed countries with UNCDF programmes	37 least developed countries	37 least developed countries	37 LDCs
Internal efficiency	Strengthen United Nations coordination *	Percentage of least developed countries where UNCDF is active in which contributions are integrated into the United Nations country-level programming framework	70%	85%	85%
	Improve efficiency of delivery	Administrative-to-total-expenditure ratio	11%	11%	10.3%
	Staff perception*	Percentage of staff that feels motivated to work at full capacity	70%	75%	81%
	Implementation of the audit recommendations of the Office of Audit and Investigation		18	23	21
Financial resources	Achieve resource mobilization targets	Regular resources mobilized	$17.3 million	$20 million	$19.0 million**
	Ensure delivery against plan	Other resources mobilized	$23.8 million	$25 million	$33.0 million
		Delivery against approved annual spending limits	81%	80%	84%

* Staff perception results compare 2010 results with 2009 as no global staff survey was performed in 2011.
** Regular resources mobilized include $3 million in UNDP programme contributions to UNCDF

55. The highlights of 2011 included increased capacity for human resources management; leadership training for all mid- and senior-level staff members; the establishment of a knowledge management, policy and advocacy unit to promote organizational learning and increase the impact of UNCDF work; a modified evaluation approach with increased support for decentralized evaluations; and investment in a new website designed to increase organizational transparency. Also in the interests of transparency, at the Fourth High Level Forum on Aid

Effectiveness in November, UNCDF announced that it had joined the International Aid Transparency Initiative and would become fully compliant in 2012.

IV. Financial analysis

56. In spite of continued pressures on development budgets globally in 2011, total contributions to UNCDF resources increased by 27 per cent, from $41.1 million in 2010 to $52 million in 2011, including $3 million allocated by UNDP to UNCDF programme funding. The number of donors and their diversity also continued to improve, reaching 33 in 2011 (up from 29 in 2010 and 20 in 2007). Among the top five donors to UNCDF in 2011, the largest was the MasterCard Foundation contributing $9.2 million. The remaining top donors were Sweden, Belgium, the Australian Agency for International Development, and the Canadian International Development Agency.

57 While a healthy sign of continued and more diverse donor support, much of the recent growth has been in 'earmarked' resources ($33 million in 2011). Contributions to core resources increased from $15 million in 2010 to $16 million in 2011 (excluding UNDP programming support) largely because of favourable exchange rates. Core contributions have not, however, returned to the pre-financial crisis level of $18.7 million, and remain well short of the established target of $25 million for UNCDF to operate effectively in 40 least developed countries.

58. Total expenditures in 2011 were $59.9 million, 22 per cent higher than in 2010 ($49.3 million). Expenditures on regular resources increased as many projects that were initiated in 2008-2009 planned for strong investments in 2011. The strong increase in expenditures for other resources is mainly attributable to increased expenditures in two projects: YouthStart and the Pacific Financial Inclusion Programme. UNCDF is watching its long-term financial stability very carefully, investing its limited core resources strategically in initiatives that will maximize development results and attract significant non-core resources.

59. Fund balances at the end of 2010 were approximately $51.5 million. UNCDF also has operational reserves of approximately $24.6 million for core and extrabudgetary accounts.

Expenditure trends, 2005-2011

Table 8 (*in millions of dollars*)

Expenditures	2005	2006	2007	2008	2009	2010	2011
Programme expenditures	19.2	25.2	28.7	37.0	41.5	43.9	53.7
- of which regular resources*	11.6	16.8	19.0	22.6	22.2	25.0	29.4
- of which other resources	7.6	8.4	9.7	14.4	19.3	18.2	24.4
UNCDF support**	6.7	4.6	5.4	6.8	7.6	5.5	6.2
Total	25.9	29.8	34.1	43.8	49.1	49.3	59.9

* Figures include UNCDF expenditures against UNDP programme contributions ($3 million in 2011)

**Figures include UNCDF expenditures against the UNDP biennial support budget ($4 million in 2011).

60. The bulk of UNCDF programme resources go to Africa (see table 9). In 2011, 63 per cent of country programme expenditures went to Africa, followed by Asia and the Pacific at 30 per cent. Eighty-two per cent of programme expenditures are delivered through country programmes, while UNCDF global thematic initiatives accounted for 18 per cent of programme delivery. Expenditures in the latter category included the flagship programmes MicroLead and YouthStart, the Pacific Islands financial inclusion programme, the gender equitable local development joint programme with UN-Women, and knowledge management and advocacy initiatives such as support to the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.

2011 programme expenditures, by region and practice area

Table 9.
(in millions of dollars)

Regions/themes	Local development	Microfinance	Total
Africa	17.7	16.0	25.5
Asia and Pacific	10.5	5.7	15.0
Arab States	0.5		0.5
Latin America	3.2		3.0
Total	31.9	21.7	53.7

Source: Financial statements for UNCDF as of 31 December 2011 before final closing of accounts.

V. UNCDF looking forward

61. In the larger effort to achieve sustainable, inclusive development in the least developed countries, UNCDF intends to continue strengthening public investment and basic service delivery at the local level and ensuring that financial services reach more poor households and small businesses. Against that background, priorities for 2012-2013 can be grouped around three major themes: products, partnerships and performance.

A. Products

62. UNCDF will continue to prioritize programmes and initiatives that respond to country-level demand within least developed countries in the following areas:

(a) *Mobile money*. As the Pacific Financial Inclusion Programme has shown, mobile technology is a potential 'game-changer' for increasing access by poor households to financial services. The UNCDF's mobile money for the poor programme will apply some of the lessons learned from Pacific Financial Inclusion to a broader set of least developed countries in Africa and Asia. It will become operational in at least two of them in 2012.

(b) *Climate change*. Building climate-change resilience requires many small, local initiatives such as improving drainage or reinforcing sea walls). The UNCDF local climate adaptive living facility seeks to enable direct access by local governments to the climate financing necessary to retrofit existing facilities, plan new facilities and incorporate climate issues into all investments. The facility is designed to work in conjunction with existing joint programmes between UNCDF and UNDP. Piloted in Asia in 2011, it will be extended to additional least developed countries in Africa and the Arab States region in 2012.

(c) *Local finance*. Domestic sources of development finance are largely untapped in many least developed countries. The UNCDF local finance initiative seeks to catalyse domestic finance for economic investments at the local level. The initiative will apply credit enhancement instruments such as partial risk guarantees to small-scale investment projects, along with capacity-building for local financial institutions, project developers, and other relevant actors. It will be launched in Uganda and Tanzania in 2012.

(d) *Clean energy finance*. Energy poverty is a serious obstacle to achieving the Millennium Development Goals. Clean Start is a new UNCDF-UNDP joint programme designed to enable poor households and micro-entrepreneurs to access low-cost, cleaner energy supplies such as renewables or improved cook-stoves. Clean Start combines stronger clean-energy value chains with financing from microfinance institutions with proven experience in reaching low-income populations and micro-enterprises. Clean Start will be piloted in one Asian and one African least developed country in 2012.

B. Partnerships

63. Partnerships help UNCDF to extend its reach and impact. Priorities for the coming period include:

(a) *Partnerships for diagnostic and programming tools*. All actors share an interest in accurately diagnosing development challenges and ensuring relevant, coherent interventions for addressing them. In 2011, in partnership with Finmark Trust (South Africa) and the Centre for Financial Regulation and Inclusion (South Africa) UNCDF developed 'making access to financial inclusion possible', a set of new methodologies for assessing the state of financial inclusion in a given country and promoting coherent action to address the key challenges. UNCDF will pilot the initiative in three least developed countries in 2012, and will work with partners (including the Asian Development Bank) to promote its introduction in non-least-developed countries. Similarly, in 2011 UNCDF worked with the Association for the Development of Exchanges in Economic and Financial Technology (France) to enhance its 'local authorities financial and institutional analysis' system. In 2012, the revised version of the system will be tested in Guinea Bissau, Lesotho, the Solomon Islands and Niger.

(b) *Partnerships for advocacy*. In 2011 UNCDF worked closely with the United Nations Secretary General's Special Advocate for Inclusive Finance and her wider reference group (the Consultative Group to Assist the Poor, the International Finance Corporation, the Bill and Melinda Gates Foundation and others) to advocate at global and country levels for financial inclusion. This work will continue in 2012, as will UNCDF support for the Special Advocate's secretariat, which is housed at UNCDF headquarters in New York. At the fourth United Nations Conference on the Least Developed Countries in May 2011, UNCDF partnered with the Governments of Luxembourg and Austria to advocate for economic empowerment of women, and with the Government of Australia to highlight the potential of mobile technology for extending financial services to poor households. At the 'Rio +20' United Nations Conference on Sustainable Development, in June 2012, UNCDF will advocate for financing access to clean energy for the poor, again in the company of some of its closest partners.

(c) *Partnerships for knowledge and training*. UNCDF stepped up its knowledge partnerships in 2011, including with the Organization of Economic Cooperation and Development on knowledge and advocacy of

inclusive and sustainable growth. It entered into formal partnerships with The Hague Academy for Local Governance to incorporate training of local officials into some of its local development programmes, and it established an international training programme for officials in Southern and Eastern Africa, in partnership with the International Centre for Local Democracy (Sweden). Under the longstanding partnership between UNCDF and the Boulder Institute of Microfinance, personnel from UNCDF-supported financial service providers, as well as newer UNCDF staff members, once again benefitted from the comprehensive summer training programme organized by the Institute in Turin, Italy. These and similar knowledge and training partnerships will be strengthened in 2012 and beyond.

C. Performance

64. UNCDF will continue to invest in measures designed to strengthen organizational performance. Priorities for 2012 include:

(a) *Programme management.* Evaluations in 2011 highlighted weaknesses in how some UNCDF programmes have been managed. UNCDF will address these by reviewing and strengthening results chains in projects and clarifying accountabilities. In addition, UNCDF will strive to measure the impact of its work on end beneficiaries more effectively. (For a larger discussion of this issue see the UNCDF 2010 annual report, chapter III: UNCDF and the Millennium Development Goals.)

(b) *Evaluation and programme review.* The priority given to evaluation and programme review in the recent past will continue in 2012. In addition to a range of project evaluations, UNCDF will finalize reviews of its financial services portfolio and its flagship MicroLead programme (now a $50 million funding facility supported by the Bill and Melinda Gates Foundation and the MasterCard Foundation). UNCDF will also undertake a thematic review of the links between its local development work and food security

(c) *Gender strategy.* UNCDF began a process in early 2011 to see whether it could be doing more to promote gender equality and the empowerment of women. An internal taskforce recommended commissioning external assistance to help the organization produce and operationalize a fully-fledged gender strategy in 2012. The goal is to improve the integration of gender issues into UNCDF programmes and management practices at every level. The strategy is being designed to clarify the contribution of current work to gender mainstreaming, and to convey how taking the gender dimension into account in all of its future activities will make UNCDF more successful in fulfilling its core mandate. The strategy will be drafted in the first half of 2012, and means for implementing and monitoring it will be developed in the second half of the year.

(d) *Knowledge management and dissemination.* The momentum garnered by creating a dedicated UNCDF unit for knowledge management, policy and advocacy will continue in 2012. The recent UNCDF publication *Local Governments and Social Protection* will be followed by a study of social protection and financial inclusion in Asia. Other forthcoming publications explore best practices in procurement for local development; lessons learned in providing financial services to younger populations (based on the YouthStart programme); and lessons learned in promoting responsible finance. In 2012 UNCDF intends to lay the groundwork for a subsequent flagship publication based on its accumulated knowledge of the operations and financing of local governments in the least developed countries.

D. Planning for 2014-2017

65. UNCDF will use the coming period to contribute to the strategic planning process of UNDP and to develop its own, complementary, strategic framework for the years 2014-2017. As mentioned above, this has not been done in a formal sense since 2004-2005, and the circumstances in which UNCDF – and many of the least developed countries it serves – have changed a great deal since then. Against that background, consideration could be given to initiating an informal stakeholder process in 2012 to consider the range of possibilities for the future UNCDF, as an integral part of the UNDP group of organizations. UNCDF management intends to seek the advice of a range of stakeholders in that regard over the coming months.

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United Nations Volunteers
Report of the Administrator

Summary

The present report provides an overview of results achieved by the United Nations Volunteers (UNV) programme during the 2010-2011 biennium, in support of programme countries and United Nations organizations in their peace and development efforts, including achievement of the Millennium Development Goals (MDG). It also identifies challenges and opportunities, especially in response to the Five-year Action Agenda of the United Nations Secretary-General.

The structure of this report follows the UNV business model. Statistical annexes on volunteers, a financial overview and a results framework are posted on the Executive Board website.

Elements of a decision

The Executive Board may wish to: (a) take note of the report of the Administrator; (b) commend UNV for the successful commemoration of the tenth anniversary of the International Year of Volunteers (IYV+10); (c) commend UNV for taking the lead in producing the first *State of the World's Volunteerism Report* and encourage UNV to continue its publication; (d) express appreciation for the outstanding contribution of the high number of UN Volunteers to peace and development achievements of programme countries and United Nations partners, including the continuous growth in the number of online volunteers; (e) encourage UNV to expand volunteering opportunities for young people, as outlined in the Five-year Action Agenda of the Secretary-General, and to this effect decide to establish a trust fund for the creation of a youth volunteer corps under the umbrella of UNV; (f) encourage UNV to continue to innovate and diversify volunteer modalities, including those involving South-South cooperation, regional approaches, diaspora and private sector volunteer opportunities; (g) take note of the UNV development of a results framework to measure its programmatic contributions to peace and development; (h) call on development partners and all UN Member States to increase funding to the Special Voluntary Fund to conduct research, training and pilot innovations and to other funding modalities; (i) encourage governments, UNDP and United Nations organizations to recognize the contributions of volunteerism to community-centred sustainable development and well-being by integrating volunteerism into their programming; (j) call upon UNDP to continue to provide to UNV all necessary programmatic, administrative and legal support to deliver on its mandate; (k) encourage member countries to recognize national and international UN Volunteers as an integral part of United Nations assistance and provide them with the facilitation and protection necessary to perform their functions effectively; and (l) encourage UNV to continue its active engagement in discussions for the United Nations Conference on Sustainable Development in Rio de Janeiro in June 2012 (Rio +20) and post-2015 development priorities to mainstream the recognition of the vital role played by volunteers in peace and development.

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I. Introduction

1. This report highlights achievements by the United Nations Volunteers (UNV) during the period 2010-2011 and follows the same structure as previous reports to the Executive Board. Special attention is given to reporting results of the tenth anniversary of the International Year of Volunteers (IYV+10), gender and youth.

2. UNV programme outcomes are articulated along the UNV business model, as approved by the Executive Board in its decision 2006/18. Key results are reported under three major components: (a) global recognition of volunteerism for peace and development; (b) integration of volunteerism into peace and development programmes; and (c) mobilization of increasing numbers and diversity of volunteers contributing to peace and development. Organizational support functions are described in the management results chapter.

3. The last chapter outlines challenges and opportunities, with special attention to opportunities resulting from the Five-year Action Agenda of the Secretary-General. The three annexes – statistical overview on UN Volunteers (1), financial overview (2) and the results framework (3) are available on the Executive Board website.

4. Total direct donor funding to UNV increased by 12 per cent to $38.8 million in 2010-2011. However, contributions to the Special Voluntary Fund (SVF), which are critical for continued advocacy of volunteerism, innovation in volunteer modalities and the production of norm-setting knowledge products, declined by 14 per cent and now represent only 3 per cent of UNV resources.

5. The total financial value of UNV activities in 2010-2011 increased by 10 per cent to $473 million. Sixty-six per cent of these resources come from United Nations organizations, showing a continued strong demand for the services of UN Volunteers.[1]

II. Programme results

6. UNV continued to advocate volunteerism as a strategic asset and a powerful contributor to peace and development. The organization also worked on integrating volunteerism into peace and development frameworks at the global, regional and national levels and on mobilizing quality UN Volunteers through a number of different modalities.

A. Global recognition of volunteerism for peace and development

7. UNV advocated for recognition and support for the contribution volunteerism makes toward achieving the Millennium Development Goals (MDGs) and national peace and development goals by better documenting the impact of volunteerism, promoting partnerships, raising awareness and obtaining formal recognition for volunteers and volunteerism.

8. Knowledge building and sharing remains the foundation of effective advocacy and programming and is critical in sensitizing partners. The most notable achievement during the biennium was the production of the first ever *State of the World's Volunteerism Report*. Other knowledge products, including partnership orientation guides, thematic papers, programme practice notes, social media platforms/campaigns and audio-visual materials, were created in partnership with different stakeholders. UNV also contributed to national, regional and global studies, reports and research on volunteerism.

[1] 'UN Volunteers' refers to volunteers under contract with UNV; UNV designates the UNV programme.

Key result 1.1. Status of volunteerism and its contribution to development is documented and shared

9. International Volunteer Day on 5 December 2011 marked the culmination of IYV+10. Two sessions of the United Nations General Assembly were devoted to the topic and a resolution on volunteerism (A/RES/66/67), co-sponsored by 97 countries, was passed by consensus.

10. The *State of the World's Volunteerism Report* was launched in the General Assembly and around 80 other locations around the world. The report promotes a better understanding of volunteerism, dispelling widely held misconceptions about its nature, reach and impact. It provides an initial measure of the worldwide contribution of volunteerism to social inclusion and cohesion, livelihoods and more generally the well-being of individuals and societies. It concludes with a call to make volunteerism an integral part of a new development paradigm. The report received broad media coverage, with over 300 news items issued just after the launch, and is now the topic of academic analysis and debate and has become a reference for informing policy discussions.

11. To enhance recognition of volunteerism at global, regional and national levels, UNV participated in and supported 41 different advocacy events in Barbados, Cambodia, China, Colombia, Egypt, Mexico, Mozambique, South Africa and Uzbekistan. Additionally, dozens of national and local advocacy events and campaigns took place in 13 crisis countries or territories from Afghanistan to South Sudan, demonstrating the resilience of fragile states and how they harness the power of volunteerism.

12. Twenty-nine national and regional reports and studies highlighting the contribution of volunteerism to development in various countries were published. Knowledge products, including practice notes and handbooks on topics such as youth development, adolescent volunteering, cultural volunteerism and volunteer management and training, were developed in the Arab states, Asia, the Commonwealth of Independent States, Latin America and South-eastern Europe. A publication entitled *Roadmap to Corporate Volunteering in Trinidad and Tobago* was prepared. In Sierra Leone, in cooperation with Voluntary Service Overseas in the United Kingdom (VSO UK) and other partners, UNV undertook a survey on national volunteerism as a development resource. UNV newsletters were published in 29 countries and disseminated widely. Over 130 articles were contributed by volunteers to the UNV website and 16 country-level UNV website and Facebook pages were launched. UNV participated in interviews and talk shows on national television in almost 50 countries.

13. Knowledge products on volunteering and gender practices were published, such as *Making a Difference: An Assessment of Volunteer Interventions Addressing Gender-based Violence in Cambodia* and *Gender* and *Climate Change and Community-Based Adaptation: a Guidebook for Designing and Implementing Gender-Sensitive Community-Based Adaptation Programmes and Projects*. UN Volunteers joined CIVICUS in the publication of *Broadening Civic Space Through Voluntary Action: Lessons from 2011*.

Key result 1.2. Partnerships to promote volunteerism for development built and strengthened with and among UNV key stakeholders

14. IYV+10 gave UNV the opportunity to join forces with many partners and stakeholders, strengthening old and developing new partnerships, notably with the sustainable development-focused non-governmental organization (NGO) community. UNV co-organized with the United Nations Department of Public Information (DPI) and the City of Bonn the 64th Annual DPI/NGO Conference on 3

to 5 September 2011. About 1,300 participants from 350 NGOs and 90 countries participated, bringing a substantive contribution to the debate on volunteerism within the context of sustainable development and preparing for the United Nations Conference on Sustainable Development in Rio de Janeiro (Rio+20) in June 2012.

15. UNV led five regional workshops gathering over 300 officials from 144 governments, civil society and leading volunteer organizations that reinforced volunteering networks in each region and highlighted the positive impact of volunteerism. Recommendations from the workshops fed into the first Global Volunteer Conference: Volunteering for a Sustainable Future held in Budapest, Hungary from 15 to 17 September 2011. Organized jointly by UNV and the International Federation of the Red Cross/Red Crescent Societies (IFRC), the conference assembled 200 participants from 70 organizations and 85 countries, including academia, civil society, governments, IFRC, national societies, NGOs, the private sector and the United Nations. The conference declaration[2] called on all sectors of society to prioritize volunteerism.

16. More than 60 national committees and volunteer coordinating bodies marked the IYV+10 anniversary year. Joined by local affiliates of IYV+10 global stakeholders, they worked on national issues and deliberated local perspectives on Rio+20 and post-MDG debates. Around 38,000 followers joined the global volunteering discussion via UNV social media.

17. New partnerships were forged at regional and country levels with governments, United Nations organizations and development partners, specifically in: Afghanistan, Burundi, Cambodia, Cameroon, Chad, China, Colombia, Côte d'Ivoire, Ecuador, Egypt, Guinea, Haiti, India, Indonesia, Jordan, Lebanon, Lesotho, Rwanda, Togo and in various Pacific countries. Resources were mobilized for in-country programming from One United Nations Funds in Cape Verde, Kyrgyzstan, Rwanda and Vietnam and from other sources for Lesotho, Micronesia and Ukraine. The Economic Community of West African States (ECOWAS) also funded some member state initiatives. New donor partnerships were established for youth volunteering in Arab states, IV+10, online volunteering and South-South cooperation.

18. UNV partnered with countries to strengthen their volunteer capacity in support of regional and global sporting and other events. For example, UNV field units from China and Kazakhstan cooperated on a project in which two Chinese experts from the Beijing Olympic Volunteer Programme conducted training of trainers for representatives from 40 NGOs. These representatives in turn trained 100 team leaders who led 3,000 volunteers in Kazakhstan for the Organization for Security and Cooperation in Europe (OSCE) Summit in 2010 and the Seventh Winter Asian Games in 2011. Aspects of volunteerism were also effectively included in the Palestinian National Youth Strategy and Youth Sports League.

19. UNV developed a database of over 1,500 partner and stakeholder contacts from over 200 countries and territories. This database provides UNV with an excellent tool for continued outreach among its constituents.

20. The year 2011 was also the European Year of Volunteering (EYV2011). UNV built synergies between IYV+10 and EYV2011 by participating in several EYV2011 events at the European Commission, European Parliament and EYV Alliance. Likewise, representatives of European Union institutions supported IYV+10 events.

[2] http://www.worldvolunteerweb.org/fileadmin/photodb/IYV_10/Downloads_2011/GVC_Declaration-rebranded.pdf.

Key result 1.3. Awareness on volunteerism and its contribution to development raised among UNV key stakeholders

21. UNV proactively raised awareness of the universal nature of volunteerism. The UNV approach emphasized working in concert with key partners and networking, in person and online, with former UN Volunteers who are natural advocates of volunteerism. High profile events were held on International Volunteer Day in about 80 developing and 20 other countries. The multimedia exhibition All Walks of Life: Volunteers of the World was displayed in the main lobby of the United Nations headquarters in New York.

22. Between 30 October and 6 December 2011, UNV organized an online campaign named 'Volunteering Matters' that encouraged people around the world to submit photos to raise awareness of volunteering. The campaign showcased over 1,300 photos depicting voluntary actions in 130 countries. UNV selected 18 finalists whose photos were voted on globally via Facebook. The campaign generated substantial discussion and debate around volunteerism on Facebook and Twitter.

23. Pursuant to General Assembly resolution 64/134 proclaiming an International Year of Youth starting in August 2010, UNV played a lead role in advocating the importance of volunteerism within the United Nations Inter-Agency Network on Youth Development, which coordinated the activities of the United Nations system during the year. A fact sheet on youth and volunteerism was prepared and disseminated at the World Youth Conference 2010 in Guanajuato, Mexico. This, along with technical inputs to the draft, resulted in volunteerism being reflected in the conference declaration.

24. UNV enhanced the recognition of volunteerism by participating in events of regional and sub-regional organizations, including the Association of Southeast Asian Nations (ASEAN), the African Union, ECOWAS and the European Union, providing platforms for recognition and advocacy. UNV was active at important events such as the national dialogue promoting volunteerism law in Mozambique; Second World Summit on Youth Volunteerism in Colombia; youth volunteerism workshops in Uzbekistan in collaboration with UNFPA; regional networking consultations on volunteerism for Barbados and the Eastern Caribbean States; Second Arab Civil Society Forum in Egypt; and National Forum on Volunteerism and the Cambodian Millennium Development Goals. In Ecuador, UNV held a public fair promoting volunteerism to achieve the MDGs, with funding from private telecommunications and consulting companies.

Key result 1.4. Support provided by UNV to increase capacity at national and international levels to formally recognize volunteerism and its contribution to development

25. UNV supported governments in establishing, implementing and strengthening the necessary processes, institutions, laws, policies and programmes to facilitate volunteering and its contribution to peace and development in all its forms.

26. Sustained UNV efforts resulted in the drafting and/or the adoption of legislative frameworks or policies in support of volunteerism and the establishment or implementation of national volunteerism laws, schemes, programmes, networks or strategies in 33 countries, including in Africa (Benin, Burkina Faso, Cape Verde, Kenya, Mali, Mozambique, Namibia, Senegal, Tanzania, Togo, Zambia), Asia and the Pacific (Bangladesh, Cambodia, India, Indonesia, Nepal, Solomon Islands, Sri Lanka, Thailand, Vietnam), the Commonwealth of Independent States (Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, Ukraine) and Latin America and the Caribbean (Bolivia, Brazil, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Peru), thus contributing to the strengthening of

national voluntary sector capacity. For example, a youth policy that integrated volunteerism was passed in Kosovo and a policy to establish a national volunteer programme was adopted in Benin.

27. In the Philippines, UNDP, UNV and the House of Representatives jointly launched an open forum called 'Strengthening People's Participation and Volunteerism Towards Community Development and the Attainment of the MDGs'. The event underscored the passing of a bill and resolution on the role of volunteers, defining the importance of volunteerism (*Bayanihan*) in nation-building and encouraging private sector partnerships.

B. Integration of volunteerism into peace and development programmes

28. UNV collaborated with United Nations entities, international institutions, regional and national bodies, governments, civil society and the private sector to mainstream volunteerism into peace and development processes and policies.

Key result 2.1. Tools, policies and knowledge generated by UNV to enable development partners to integrate volunteerism into development policies, strategies and programmes, including sectoral/focus area policies and strategies

29. Programme practice notes on volunteerism in peacebuilding, conflict prevention, disaster risk reduction, natural resource management, community-based adaptation and climate change were developed. Other volunteerism practice notes and brochures on local and transitional governance, non-formal education, food security, integration of refugees, returnees and internally displaced persons (IDPs), disaster response, sports for development and civil affairs are in advanced stages of development.

30. The practical guide *Drafting and Implementing Volunteerism Laws and Policies: A Guidance Note* (2011) was drafted in collaboration with the International Center for Not-for-Profit Law and funded by the Canadian International Development Agency. UNV widely shared the guide with governments, United Nations organizations, civil society and other partners.

31. In Afghanistan, under the UNDP project Enhancing Legal and Electoral Capacity for Tomorrow (ELECT) UN Volunteers enhanced the institutional capacity of the Independent Electoral Commission, media, political parties, domestic observers and other counterparts.

Key result 2.2. Integration of volunteerism in development policies, strategies and programming demonstrated

32. UNV continued working closely with its key United Nations partners to make volunteerism an intentional component of United Nations development assessments, planning frameworks and programme implementation. These include the Common Country Assessment, the United Nations Development Assistance Framework (UNDAF), Post Disaster and Post Conflict Needs Assessments, Technical Assessment Missions, Integrated Strategic Frameworks and Consolidated Appeal Processes.

33.UNV participation in UNDAF processes led to the integration of volunteerism in the formulation, planning and/or implementation of ongoing or new UNDAFs in 35 countries. Volunteerism was also strategically integrated into development policies, plans and programmes of United Nations partners. These efforts resulted in mainstreaming volunteerism in joint programming with UNDP, UNFPA, United Nations Children's Fund (UNICEF), Office of the United Nations High Commissioner for Refugees (UNHCR) and UN Women in some 20 countries.

34. The mainstreaming work of UNV has also led to the inclusion of volunteerism in poverty reduction strategy papers (PRSPs) and/or national/regional human development reports in Brazil, Burundi Guatemala, Honduras, Jordan and Nicaragua. In Burundi, the establishment of a national volunteer scheme was included under the second generation PRSP. In the occupied Palestinian territory, UNV helped to integrate volunteerism in the Municipal Alliance Project designed to empower local government and expand public service outreach. UNV was successfully integrated into the United Nations Development Group (UNDG) Arab States strategy.

35. Building on a long partnership with United Nations peacekeeping and peacebuilding operations, UNV participated in and was referenced in the recommendations of the Independent Report on Civilian Capacity in the Aftermath of Conflict (A/65/747-S/2011/85) and continues to follow-up on recommendations. UNV is also working with the Peacebuilding Support Office (PBSO) and has signed a partnership memorandum of understanding with PBSO and UNDP for multi-donor trust funds.

36. In the third quarter of 2011, UNV and the UNDP Bureau of Crises Prevention and Recovery renewed their collaboration and formal partnership and agreed to pool resources in mutually supportive ways for greater impact.

37. UNV continued its strong support to United Nations peacekeeping and peacebuilding operations, working collaboratively with the Department of Peace-Keeping Operations (DPKO), the Department of Field Support (DFS) and United Nations country teams to integrate volunteers and volunteerism into their operations. For example, UNV was involved in the transition from the United Nations Mission in Sudan to its follow-on missions, the United Nations Mission in South Sudan (UNMISS) and the United Nations Interim Security Force in Abyei. UNMISS has adopted a strong community-based approach to implement its mandate, including deploying over 600 international and national UN Volunteers.

38. Under the democratic governance umbrella, UNV was involved in several historical post-conflict electoral processes supported by the United Nations system and the international community. Technical and programmatic support was provided by over 1,000 UN Volunteers in Chad, Côte d'Ivoire, the Democratic Republic of the Congo and Sudan. For the Southern Sudan Referendum, UN Volunteers served as the main United Nations electoral personnel throughout the country.

39. In the area of disaster risk reduction (DRR), UNV provided input to incorporate volunteerism in the Hyogo Framework of Action and produced an advocacy video clip for the International Strategy for Disaster Reduction, depicting the nexus between volunteerism and DRR.

40. By 2011, a joint project of UNV and the Center for Civil Society Studies at Johns Hopkins University entitled 'Reflecting Volunteer Contributions in the System of National Accounts' supported the successful completion of initial non-profit institution satellite accounts by national statistical offices in five countries — Brazil, India, Kyrgyzstan, Mozambique and the Philippines. These ground-breaking national reports profile the size, nature and economic contribution of civil society organizations, including volunteers.

C. Mobilization of volunteers contributing to peace and development

41. In 2010 and 2011, about 7,500 UN Volunteers annually contributed with 7,800 assignments to the strategic objectives of 23 United Nations entities and 18 United Nations missions, often serving in challenging and remote locations and post-conflict situations.

42. A central objective of UNV is to enhance the quality and diversity of UN Volunteer assignments, while increasing assignment numbers to better respond to partners' programmatic requirements.

Key result 3.1. Well-defined, effective and inclusive volunteer management established

43. A new professional experience and skills recruitment taxonomy was developed and validated through testing with over 1,000 candidates and serving volunteers. Implementation will facilitate professional targeting and more precise rostering. The revised taxonomy is a prerequisite for the new Volunteer Management Cycle software. Enhanced self-service features introduced in the registration process and a more comprehensive frequently asked questions section resulted in a 10 per cent decrease in inquiries needing manual responses.

44. To diversify volunteer recruitment, new outreach approaches were tested, for example, targeting Arabic speakers, Haitian diaspora, medical professionals and more deliberate use of former volunteer networks and recruitment partners. A project to broaden the candidate pool and roster diversity was completed with the support of online volunteers who built a directory of 2,000 potential suppliers of volunteer candidates in Latin America and the Caribbean.

45. In 2011, UNV commissioned a desk review of the Transfer of Knowledge Through Expatriate Nationals scheme resulting in policy recommendations for special short-term assignments appropriate for engaging diasporas, retirees, private sector employees and others as volunteers.

46. In line with its youth mandate, UNV also commissioned an in-depth review of its youth volunteer modalities and identified ways to promote greater youth involvement in volunteerism. Findings of this review have inspired the UNV response to the Five-year Action Agenda of the Secretary-General. UNV also concluded a review of its national UN Volunteer modality and developed revised conditions of service and new policy guidance.

47. UNV efforts to identify qualified female volunteer candidates paid off and in 2011 46 per cent of recruited international UN Volunteers were female. UNV continues to submit at least one female candidate per assignment. The overall global percentage of female UN Volunteers increased to 38 per cent. About 28 per cent of volunteers with missions are women.

48. UNV published 'The Volunteer Toolkit' with an initial seven tools designed to enhance the effectiveness of volunteer management as well as the skills of UN Volunteers to become advocates of volunteerism for peace and development.

Key result 3.2. Volunteer engagement in selected focus areas strengthened

49. Through its Online Volunteering service, UNV engaged over 10,500 online volunteers yearly to support, over the Internet, peace and development activities of United Nations entities, NGOs and governments. About 16,000 assignments were conducted on average yearly, a growth of 62 per cent over the previous biennium. The Online Volunteering service continues to be a means of inclusion: in 2011, 60 per cent of online volunteers were from the South, 56 per cent were women, 2 per cent reported having disabilities and 82 per cent were between 18 and 35 years old with an average age of 30. Over 91 per cent of organizations and online volunteers rated their satisfaction with their online collaboration as 'good' or 'excellent' during the biennium.

50. After the Libya crisis broke in 2011, the United Nations Office for the Coordination of Humanitarian Affairs relied on the service of hundreds of online volunteers who created and maintained a virtual map showing live information

about events in the country. The Libya Crisis Map provided relief organizations with information on health needs, security threats and refugee movements to help them plan humanitarian responses.

Mobilizing for peace

Crisis prevention and recovery

51. UNV deployed over 3,100 UN Volunteers annually to 18 missions, representing over 30 per cent of the international civilian staffing in these missions. UNV ability to rapidly mobilize high volumes of technical expertise across a wide range of substantive and technical functional areas critically bolsters the United Nations ground capacity to execute its complex mandates effectively and efficiently.

52. UN Volunteers also complemented UNDP ground efforts in peacebuilding, conflict prevention, reintegration of refugees/IDPs and ex-combatants, in recovery programmes, transitional justice, dialogue and reconciliation, security sector reform, and capacity-building in countries including Afghanistan, Bangladesh, Brazil, Burundi, Chad, Colombia, Côte d'Ivoire, Congo, Democratic Republic of the Congo, Ecuador, El Salvador, Guinea, Guinea Bissau, Guatemala, Haiti, Liberia, occupied Palestinian territory, Peru, Somalia, Sudan, Timor-Leste, Tunisia, Uganda and Yemen.

53. South Sudan also provides a good example of UNV and UNDP collaboration. During the biennium, the UNDP flagship project Rapid Capacity Placement Initiative relied on over 100 international UN Volunteers to support local government capacity building in the country's 10 states, in areas ranging from treasury and tax revenue to rule of law, justice, legal reform and state administrative management.

54. In Côte d'Ivoire, over 200 UN Volunteers provided support and crucial assistance to the 2010 presidential election, while over 100 UN Volunteers supported the organization of legislative elections. When post-election violence broke out, 70 volunteers stayed behind to provide medical, logistical and other support to the United Nations Operation in Côte d'Ivoire. Among these, 25 UN Volunteers supported the running of a 24-hour call line for reporting human rights violations. The call centre registered 320 complaints within a week and 4,300 in the first three weeks of the centre's opening.

55. Over 400 UN Volunteers with the African Union-UN mission in Darfur contributed to ensuring stability in the region and delivery of humanitarian assistance to local populations. In Burundi, international and national UN Volunteers supported socio-economic reintegration of ex-combatants and communities affected by the conflict by promoting community dialogue and micro-projects for the creation of short-term employment, while ensuring equal access of men and women to these opportunities.

Humanitarian assistance

56. In 2011, UNV continued its strong engagement in immediate humanitarian responses to natural disasters, assisting refugee resettlement and integration, and promoting protection of and respect for human rights.

57. In Latin America and the Caribbean, UN Volunteers facilitated resettlement and integration of refugees in Brazil, Ecuador, Peru and Colombia. In Haiti and Pakistan, community disaster prevention and recovery was promoted using a community-centred sustainable development approach. In Haiti, international and national UN Volunteers partnered with the United Nations Human Settlements Programme (UN-Habitat) to set up emergency community and shelter resource centres in the greater Port-au-Prince area to facilitate community-based early

recovery activities, such as a cultural restoration project and waste management campaign. Also in Haiti, a joint UNV/UNFPA/UNICEF project was initiated to provide essential reproductive health services for earthquake-affected populations, with a training and capacity development component to address the shortage of skilled midwives.

58. In 2010-2011, some 30 university volunteers were mobilized under the Programme for Human Resource Development in Asia for Peace Building through Volunteer Assignments of the Hiroshima Peacebuilders Centre to serve in 19 countries with 12 United Nations partner organizations and missions. Volunteers worked alongside national counterparts to improve services for marginalized people. Others engaged in peacebuilding initiatives to help build trust among ordinary people within communities and to foster common ground and respect for human rights between conflicting groups.

59. Thirty-seven UN Volunteers provided key support to the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO), UNICEF and UNHCR in the fight against HIV/AIDS and sexual and gender-based violence. These UN Volunteers undertook a wide range of activities, from setting up local inter-agency coordination mechanisms to raising public awareness and conducting capacity building training for community leaders, local associations and national NGOs. For example, in North Katanga, UN Volunteers supported the UNHCR assistance programme for 46,000 Congolese refugees repatriated from Zambia.

Mobilizing for development

Delivery of basic services

60. UNV community development and empowerment interventions helped to enhance community capacity to access basic health services, education and food security. UNV interventions also helped to strengthen local governance, facilitate access to information and build capacities for inclusive and participatory planning processes.

61. International university volunteers worked with local NGOs and local volunteers to help poor communities in Manila, the Philippines to become self-reliant and improve their lives by providing a wide range of services to the urban poor.

62. Health service delivery is one of the major development challenges in the southern Africa region. Trained medical staff have either emigrated or are unwilling to work in rural areas where the prospects for private practices are low. In an effort to address this challenge, UNV in coordination with UNDP supported the governments of Lesotho, Malawi and the provincial government of Limpopo in South Africa to recruit UN Volunteer medical doctors to provide short-term technical relief to hospitals, while providing long-term capacity development to young doctors and paramedics. With 150 UN Volunteers in the three countries medical services improved and knowledge and skills were transferred to national counterparts.

63. UN Volunteers promoted delivery of comprehensive multi-disciplinary HIV care to 5,496 adults and children infected and affected by HIV at 22 service outlets across Guyana, 3,228 of whom were started on antiretroviral treatment at 16 service outlets. Volunteers also delivered prevention services at eight service outlets across the country. In Chad, UNV played a key role in the HIV/AIDS sensitization campaign *Soyez prudent!* to promote behavioural change and awareness. Some 50 volunteer educators mobilized 1,100 people to be trained as agents of change in their communities.

64. In Trinidad and Tobago, UNV deployed medical doctors to deliver primary and secondary health services throughout the country. Results from an independent mid-term evaluation indicated visible contributions to improving access to and quality of health services provided by the doctors, notably in rural and semi-urban areas.

65. In a One United Nations joint programme in Albania, UN Volunteers introduced a model of participatory planning in local government units where vulnerable Roma and Egyptian communities reside, resulting in improved access to social services and greater community participation in decision-making.

66. In Guinea, 9,500 refugees from Liberia and Sierra Leone were integrated into local communities thanks to national and international UN Volunteers with UNHCR who provided support ranging from legal assistance and income generating activities to delivery of basic services and design and monitoring of crop calendars and agriculture plans for the region.

67. In Kazakhstan, Turkey, Uzbekistan and the Philippines, UNV worked with United Nations entities, governments and civil society organizations to help marginalized groups in very poor neighbourhoods to become self-reliant through improved access to basic services and provision of skills that can help people improve their own lives.

68. Within the MDG campaign of Guinea Bissau, UNV mobilized over 100 local volunteers. Thirty of them engaged in awareness campaigns in hospitals and communities to promote maternal health and fight child mortality and another 20 volunteers supported a campaign to fight HIV/AIDS through sensitization messages. Radio and television programmes also featured monthly programmes demonstrating the role of volunteerism in support of MDG achievement in the country.

Environment and climate change

69. In response to Executive Board decision DP/2008/22, UNV expanded its engagement of volunteers in environment and climate change by promoting community-level adaptation to climate change and raising awareness on environmental issues.

70. For World Environment Day on 5 June, UN Volunteers in many countries, including Haiti and Kosovo, conducted campaigns, produced information materials and held photo competitions to raise awareness about the environment.

71. Under the MDG campaign of Guinea Bissau, 35 local volunteers engaged local communities in a campaign to fight coastal erosion by planting 10,000 trees. In Algeria, during International Volunteer Day on 5 December 2011, 700 volunteers from various local associations cleaned and removed waste from three sites and planted trees in the Bouchaoui forest near Algiers. The activity, which received wide media coverage, strengthened links between participating associations and promoted social responsibility in preservation of the environment.

72. The Community-Based Adaptation Project, a global initiative of UNDP, UNV and the Global Environmental Facility Small Grants Programme is strengthening the resilience of vulnerable communities to climate change. In seven pilot countries (Bolivia, Guatemala, Jamaica, Namibia, Niger, Morocco and Samoa), UN Volunteers mobilized community volunteers, helped partners to develop project ideas and proposals and introduced innovative local development solutions for people, nature and resilient communities. As proof of recognition, the work of the partner association AMSING in Morocco was selected as one of the 25 winners among over 800 candidates for the UNDP Equator Prize 2012.

Cross-cutting issues: gender and youth mainstreaming

73. UNV contributes to the inclusion of women in decision-making, promotes gender-sensitive services and policies and works to prevent sexual and gender-based violence.

74. A joint UNV/UN Women regional project (taking place in Rosario, Argentina, 23 municipalities in Bolivia and Orellana, Ecuador) entitled 'Gender Budgeting and Volunteering through Civic Engagement' documents the impact of volunteering and civic engagement on gender-responsive budgeting and policies. In the three locations, budget allocations for women's rights and gender equality were either maintained or increased despite the global financial crisis, thanks to the advocacy of rural women volunteers, supported by women's organizations and UN Volunteers. In Bolivia, the project resulted in the inclusion of a gender perspective in economic laws and regulations. In Rosario, Argentina, Cochabamba, Bolivia and at the local level in Ecuador the project led women's organizations to exercise social monitoring in established accountability mechanisms.

75. UN Volunteers worked with community volunteers to combat female genital mutilation (FGM). In Guinea Bissau, the Government adopted a law against FGM in June 2011 and in Côte d'Ivoire a movie was produced. In Sudan, cultural mediators sensitized local communities and health professionals to the consequences of FGM on women's health.

76. Partners for Prevention is a regional joint programme of UNDP, UNFPA, UN Women and UNV in Cambodia, India, Indonesia, Pakistan, Thailand, Uzbekistan and Vietnam. UN Volunteers work to prevent violence against women by engaging men and boys in community advocacy campaigns. In India, a UN Volunteer with the Centre for Health and Social Justice mobilizes volunteers and documents case studies for Men's Action for Stopping Violence against Women, a unique volunteer-driven campaign.

77. UN Volunteers conducted protection monitoring and provided capacity building to local authorities, civil society organizations and community networks on prevention and protection against sexual and gender-based violence in Afghanistan, Bangladesh, Bosnia-Herzegovina, Democratic Republic of the Congo, occupied Palestinian territory, Pakistan and Timor-Leste. UN Volunteers helped the United Nations Mission in the Central African Republic and Chad to mobilize 1,500 people in Abeche, Chad as part of an advocacy campaign on the promotion of gender equity.

78. In Guatemala, a United Nations joint programme facilitates institutionalization and implementation of the National Policy for the Promotion and Integral Development of Women through the assignment of UNV liaison officers to each state. The officers coordinate with local authorities and women's departments.

79. Young people are major actors and beneficiaries of UNV programmes. UNV continues to play an important role in establishing national youth volunteer schemes, which are a means of improving youth employability and promoting good citizenship.

80. In Lesotho, UNV supported the Government in implementing the Lesotho National Volunteers Corps Project, which mobilizes unemployed young professionals to support the country's development efforts and provides them with work experience and on-the-job training.

81. In Kyrgyzstan, 12 UN Volunteers and 26 young people from local universities and high schools conducted a five-day action campaign under the theme 'Youth Volunteerism and Environmental Sustainability' aimed at building the volunteering

capacity of youth and promoting a culture of environmental governance and civic responsibility.

82. In Guyana, national UN Volunteer peace facilitators contributed to the empowerment of youth, enabling them to become agents of peaceful change in their communities. They achieved peaceful dispute resolution among youth, set ethical standards for volunteering, built social cohesion and got more young people involved in community-based development initiatives.

83. The Youth Employability and Retention Programme in Bosnia and Herzegovina addresses problems of high unemployment and migration among youth by improving their employability and by providing new entry points to the labour market. In partnership with UNDP, UNV is enhancing the capacities of the Public Employment Services to develop and deliver an integrated package of youth employability measures through 16 youth employment centres and 20 national UN Volunteer counsellor-advisors who deliver an integrated package of services, advice and community outreach.

Key result 3.3. Tools, knowledge and guidance provided by UNV enable regional, national and local partners to establish schemes to mobilize and manage volunteers for development

84. Volunteerism is a universal resource for peace, development and the achievement of the MDGs. Member States are especially keen to draw on UNV expertise when establishing youth volunteer schemes.

85. In Afghanistan, UNV assisted the Ministry of Youth Affairs to integrate volunteerism in development and peace reconciliation through participation in the Technical Working Group on Youth. In Uruguay, UNV supported the Ministry of Social Development to attain better utilization of volunteerism as an asset in development processes. An important aspect of this endeavour has been the mobilization of young volunteers for the MDGs in six municipalities together with the publication and release of the handbook *Volunteer Management and Training: A Perspective from Uruguay*.

86. ECOWAS developed a partnership with UNV for a pilot volunteer programme in Guinea, Guinea Bissau, Liberia and Sierra Leone. 160 ECOWAS volunteers are being deployed in the pilot countries (40 per country), with 26 having arrived in Liberia in November 2011. They are assigned to government institutions mainly in the education and health sectors. UNV contributed to the establishment of the African Union Youth Volunteer Corps to recruit youth to work in all African Union Member States.

87. An invitation from the Sultanate of Oman to UNV to support the establishment of a high-level award for voluntary activities and to serve on the award committee reflects an increasing recognition of volunteerism in the region. The award helped to establish and promote the culture of volunteerism.

88. In Morocco, UNV and UNDP launched several roundtable meetings with volunteer-involving organizations, government and the private sector, resulting in a convention creating the National Centre of Volunteerism in 2010. The centre monitors and accelerates progress on the MDGs by strengthening broad-based action and supporting the promotion of civic engagement in MDG-related policy and practice.

Learning from evaluations

89. UNV embraces evaluation as a means of corporate accountability and learning. In 2010-2011, a total of 10 corporate-level or joint evaluations were conducted, managed or reviewed, including strategic, thematic or project evaluations and reviews, designed to ensure accountability and to support decision-making and continuous programme improvement and knowledge sharing.

90. Project evaluations demonstrated the potential of volunteering for civic participation and mobilization toward addressing community challenges, including governance, social inclusion, youth engagement, environmental protection, community empowerment through income generation, capacity building and skills development.

91.To support efforts to better measure the impact of volunteers and volunteerism, UNV published in 2011 the handbook *Assessing the Contribution of Volunteering to Development*. This handbook has been widely disseminated among evaluators in various countries and Spanish and French translations are underway. Dissemination of the methodology will help demonstrate volunteerism's added value in development and peace efforts and will help UNV to manage for better results.

92. The key partnership of UNV with DPKO/DFS was the subject of a joint evaluation during the biennium, which was a major contribution toward better integrating volunteers in peacekeeping missions. The evaluation report found that the UNV-DFS partnership played a major role in the rapid engagement of highly skilled and motivated volunteers in peacekeeping worldwide. A taskforce consisting of representatives from UNV and DFS was set up to implement the 11 recommendations made in the report.

III. Management results

93. The Changing Together change management process undertaken by UNV from 2009 to 2010 was completed and resulted in a strengthened organizational structure and improved and streamlined ways of conducting business. These changes helped position UNV to focus more effectively on programmatic needs at country level and increase the impact of its volunteers in the field, while ensuring proper allocation and management of its resources.

94. Changing Together allowed UNV to redefine unit roles, increase specialization and develop mechanisms to deliver as one team. Several new tools were built and processes redesigned to ensure consistent application of UNDP policies and UNV standards for volunteer management. For example, centralization of the critical 'procure-to-pay' process increased control on use of UNV resources while improving efficiency.

95. A communications strategy was finalized in 2010 to strengthen UNV branding and external communications.

Building a knowledge-driven organization

96. Subsequent to the restructuring, a learning plan was adopted to address staff development needs and fill knowledge gaps. The key objective was to enhance UNV staff capacity to engage in programme development in the field by deepening staff knowledge in thematic areas.

97. A Volunteer Learning Specialist was appointed to develop and implement a coherent volunteer learning strategy and enhance UN Volunteers capacity to integrate and promote volunteerism for peace and development.

98. The UNV Portal, launched in 2011, acts as an integrated platform for document and knowledge management. It brings UNV Bonn and its field units under one system to support information sharing and document management. The UNDP Teamworks platform was piloted in a number of UNV-related activities, including IYV+10 and the former volunteer network, to support external knowledge sharing by UN Volunteers. Assessment of those pilots will feed into broader analysis of development of networks and communities of practice for UN Volunteers and partners.

99. In-house environment and gender advisory teams remained active during the biennium. A 'gender-lens' review of various projects and documents was undertaken and is now common practice.

Gender balance and staff well-being

100. UNV continued its efforts to maintain gender balance among its staff, especially for professional posts, of which 55 per cent are filled by males. Overall, 53 per cent of UNV staff are female and senior management is evenly balanced.

101. UNV is committed to maintaining a healthy work life balance for its staff. It supported flexible work arrangements via effective use of mobile and Web-based technologies. Stress and work-life issues were integrated into the corporate learning plan. Supporting staff career development remains a priority, illustrated by internal job rotation and a temporary assignment programme.

Preparation for International Public Sector Accounting Standards

102. UNV strongly supported implementation of International Public Sector Accounting Standards (IPSAS). It ensured that staff were fully aware of the critical importance of IPSAS and provided them with the required training through online courses and Webinars. Several staff also attended intensive classroom training and acted as UNDP trainers.

103. A UNV IPSAS team and focal point coordinated activities internally and liaised with UNDP headquarters ensuring completion of the required preparatory work. UNV business processes impacted by IPSAS were reviewed in detail and changes were made to align with new requirements.

Accountability and risk management

104. When reviewing and revising work processes and individual roles as part of Changing Together, use of and compliance with the UNDP Internal Control Framework was among the primary objectives. UNV issued new and individualized delegation of authority letters to all staff to cover and inform them of new rights, responsibilities and accountabilities.

105. UNV invested in new technology to provide a robust platform to support and back up its business and communications.

Financial resources

106. The total value of services provided by UNV – directly and through United Nations organizations and entities, including DPKO/DFS – increased in the biennium by 10 per cent to $473 million. Annex 2 provides a financial overview of UNV, which complements UNDP financial, budgetary and management reports of the Administrator.

107. Donor contributions for UNV direct programme activities increased by 12 per cent to $38.8 million in 2010-2011 from $34.7 million in 2008-2009 as the impact of the global financial crisis eased. Several donors increased their contributions and some new donors started supporting UNV, including programme countries, as UNV

expanded its full-funding volunteer scheme and increased its outreach to non-traditional donors.

108. Regrettably, contributions to the Special Voluntary Fund, which is critical for continued advocacy of volunteerism and innovation in volunteer mobilization modalities and the development of knowledge products, declined 14 per cent after a similar decline in the previous biennium.

Effective support to the United Nations in Bonn

109. UNV proactively promoted increased collaboration among United Nations entities in Bonn to achieve better results using existing resources. This led to an improved governance structure at the operational and executive level of the UNV-managed Common Services, which include coordination of host government relations, management of shared premises and facilities, and expansion into common procurement, information communication technology infrastructure and human resources services.

Management audit

110. In 2010, UNV underwent a comprehensive management audit conducted by the UNDP Office of Audit and Investigation (OAI).

111. As a firm validation of changes made by the organization following the Changing Together process and the overall soundness of its operations, UNV was assessed by OAI as "satisfactory". This implies that the "internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity".

IV. Challenges and opportunities

112. IYV+10 opened avenues to strengthen partnerships, develop new ones, further national and global policy agendas and increase recognition of volunteerism and the role of UNV. The year underscored the ample opportunities that exist to further strengthen and expand the relevance and impact of UNV. The main challenge will be to realize these opportunities, and in the process address organizational and institutional challenges that still remain.

Privileges and immunities

113. The functional privileges and immunities of all international UN Volunteers are a fundamental precondition for their service. While existing host country agreements of UNDP, DFS/DPKO and other United Nations organizations explicitly refer to UN Volunteers, global coverage is lacking and a considerable number of UN Volunteers may not enjoy the necessary status. As this is an impediment for expanding the mobilization of UN Volunteers for United Nations activities on a long-term basis, UNV is constantly striving toward global coverage of all international UN Volunteers by privileges and immunities. Support of Member States for this endeavour is critical.

Financial sustainability and institutional impact

114. The UNV business model relies partly on resources drawn from volunteer mobilization. The UNV strategy is to gradually increase its overall development effectiveness and relevance and the sustainability of its operations through increased mobilization of UN Volunteers and careful cost recovery for all services provided.

Safety and security of UN Volunteers

115. Over 50 per cent of UN Volunteers work in medium to high risk environments. To prepare UN Volunteers and minimize security and safety risks in the field, all UN Volunteers undertake the pre-deployment safety and security online training of the Department of Safety and Security. Local security training upon arrival at the duty station is also provided. Nevertheless, UN Volunteers have been affected by high volatility in security situations worldwide, despite being fully integrated in the United Nations security system. UNV reports seven tragic deaths in Haiti, Democratic Republic of the Congo and Côte d'Ivoire.

Opportunities

The Five-year Action Agenda of the Secretary-General

116. The Action Agenda of the Secretary-General with its five generational opportunities offers unquestionably the greatest opportunity to UNV to participate actively in realizing the Secretary-General's vision, consolidate its youth activities (as per General Assembly resolution 31/131) and offer volunteer options to a population with a still largely untapped potential.

117. A key UNV priority in 2012 and beyond is to support the Action Agenda to "address the needs of the largest generation of young people the world has ever known" and to engage youth, particularly young women, as volunteers and agents for sustainable development and peace in their communities and societies. A youth programme strategy is being developed based on lessons learned from the on-going Arab Youth Volunteering for Better Future initiative in six Arab countries, which is already part of the UNDG Arab States strategy. UNDP and UNV intend to take the lead within UNDG in helping to operationalize the Secretary-General's agenda for youth by focusing on capacity development, national ownership and community and youth empowerment and employability.

118. General Assembly resolution 66/67, paragraph 24, looks forward to a full report on the celebration of IYV+10, as well as recommendations to further integrate volunteering in peace and development during the next decade and beyond. This is an opportunity to continue promoting the volunteering agenda; consultations are already under way regarding volunteering's relevance to the Rio+20 outcome document and the upcoming MDG summit to be organized by the General Assembly in 2013.

Youth Volunteer Corps

119. Prior to the announcement of the Action Agenda of the Secretary-General, UNV had conducted a review of its existing youth schemes (university volunteers and volunteer interns). It then developed a concept for the establishment of a youth volunteer corps and identified support functions required. Youth volunteers do not bring the same skills as volunteer specialists and require more intense preparation, guidance and follow-up to ensure optimum benefits to them and society from the volunteer experience. Therefore, UNV suggests establishing a Youth Volunteer Corps Trust Fund to develop training materials, define assignment modalities (including security considerations) and undertake the fielding and administration of increasing numbers of young volunteers.

120. The ability of UNV to respond successfully to the Action Agenda of the Secretary-General and engage along with other United Nations entities in system-wide policy and programme priority setting would be strengthened – and the contributions of volunteerism to peace and development optimized – if the higher profile of the UNV programme, including the level of its Executive Coordinator, were appropriately acknowledged.

Gender

121. Building on positive experiences in 2011, UNV will continue to emphasize selection of female volunteers, including youth volunteers, to progressively achieve a gender balance among UN Volunteers and maintain the balance among its staff.

Partnership expansion

122. In a rapidly changing development cooperation environment, UNV will continue to promote more diversified programmatic partnerships, including with non-traditional donors, private sector enterprises and foundations.

123. The UNDP Administrator believes that the publication of the *State of the World's Volunteerism Report*, the Secretary-General's focus on youth and the active discussion around a post-2015 development agenda provide opportunities for UNV to demonstrate the value added of volunteering for peace, development and the greater well-being of societies. With this in mind, the Administrator calls for continued support to the programme.